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CENTRAL INTELLIGENCE AGENCY
WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

28 August 1961

MEMORANDUM

SUBJECT: The Situation in Brazil

1. The political situation in Brazil has deteriorated rapidly since the resignation of President Quadros on August 25. The causes for the resignation were probably various, and included the peculiar temperament of Quadros himself, who is known for hasty and dramatic moves. (On one occasion during his election campaign he "resigned" from the conflict, [REDACTED])

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2. One contributing factor to Quadros' resignation was the public allegation by the Governor of Guanabara (Rio de Janeiro) that Quadros was trying to strengthen his own power at the expense of the legislature. During the preceding week or two, moreover, there had been noticeably increased grumbling about Quadros' foreign policy, in particular his flirtation with the Communist bloc.

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He may well have resigned in a fit of temper, hoping that he would be called back by popular demand, but perhaps also feeling that if he was not called back, the country would get the chaos which he felt it deserved.

3. There has been no country-wide appeal to Quadros to return. On the contrary, there have been a number of reports that the voters who supported him feel themselves betrayed, that people have become tired of his whims, and that they are disgusted by his abrupt withdrawal and fearful of the future.

4. Consequently, attention became focussed after the resignation upon the possible succession of Goulart, the [REDACTED] Vice-President who was just finishing his visit to Communist China. Marshal Denys (Quadros' Minister of Defense, and the most respected officer in the Brazilian armed forces) and Marshal Lott (Quadros' opponent in the election) apparently held conversations about the succession but were unable to agree. Denys, supported by some of the military, appeared determined to prevent the accession of Goulart. Lott, supported by others of the military, desired to facilitate the accession of Goulart in the interest of preserving the "legalities", though he had no enthusiasm for the Vice-President's political views.

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5. On Sunday, August 27, Denys arrested Lott and some of his associates. It is also reported that Denys sent a virtual ultimatum to the legislature demanding a change in the constitution to prevent Goulart from succeeding, and threatening to establish a military junta if the legislature does not act. However, he seems to have received little civilian support for this measure. Our latest reports are that Denys and his associates have agreed to permit Goulart to assume the Presidency on condition that his cabinet be submitted to the military for prior approval, and that he sever all ties with the Communists. Meanwhile the president of the Chamber of Deputies, Mazzilli, holds the office of President, for whatever it may be worth.

6. Goulart has reached Paris on his way home from the Far East, but has delayed there and not yet made clear whether he will continue his journey. Much depends on his next move. Should he resign, there would according to the constitution be new elections in 60 days; perhaps Denys would run for President, Quadros might seek a come-back by this means, or Kubitschek, the politician with the broadest support might be a candidate. It is also possible that a "constitutional amendment" might be passed providing for the election of a head of state by the congress without popular consultation.

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7. Should Goulart return and try to take office much would depend upon how he sought to do so. If he tried to proceed directly to Brazilia, Marshal Denys would probably arrest him, unless prior agreement had been reached, and then move to take over full authority, with promises of new elections and a return to legality at some future date. If Goulart returned to his own political stronghold of Porto Alegre and were supported by the military forces now there, political chaos in Brazil could continue for some time.

8. On the whole, it now appears to us that Marshal Denys is in a very strong position, and stands a fair chance of achieving his aims, in one way or another. He enjoys great prestige with the military, and the military will almost certainly be the dominating element in the immediate situation, though it should be remembered that there is in Brazil a strong tradition against overt military exercise of political power. Goulart has legality on his side, but little else; [REDACTED] [REDACTED] his popularity has declined in recent years, and he is not a man of marked political courage, or one likely to make a bitter and effective political fight. Marshal Lott appears, for the time being, to be out of the picture.

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Allen W. Dulles
Director

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